

**STATE OF MICHIGAN
CHIEF FINANCIAL OFFICERS' COUNCIL
Summary of October 19, 2006 Meeting**

The fourth meeting of the Chief Financial Officers' (CFO) Council for calendar year 2006 was held at 10:00 a.m., Thursday, October 19, 2006, in the Michigan Room, Romney Building.

CFO Council members in attendance:

David Bruce – Agriculture	E. Ronald Stadnika – Judicial
James Selleck – Attorney General	Minesh Mody – MI Economic Dev. Corp.
Barry Wickman – Corrections	Joe Pavona – State
James Kasprzak – Environmental Quality	Ed Timpf – Transportation
Karen Tarrant – Information Technology	

Other attendees:

Raj Mehta – Civil Rights	Joe Frick – Natural Resources
Craig Thurman – Education	Ruth Mealy – OFM
Russ Hecko – Human Services	Laura Mester – OFM
Nadine Brown-Uddin – Labor & Economic Growth	Michael Moody – OFM
Lorie Blundy – Leg. Retirement System	Doug Ringler – OFM
David Quigley – DMB, Financial Services	Palmer Giron – Treasury

Mike Moody, Director of the Office of Financial Management (OFM) and Chair of the Council, welcomed the group. There were no changes or additions to the agenda. The draft summary of the July 13, 2006 meeting was approved as written.

Mike stated the appointments for the 2007 CFO meetings were scheduled in GroupWise.

BRIEFINGS AND REPORTS TO CFOs

OFM Accounting and Financial Reporting Division Update

Laura Mester, AFR Director, reported on the year-end closing. The Work Project Letter for AY 06 has been sent to the Legislature. Old appropriation year-end dates have been extended. AY 06 accounts will appear as if they are lapsing until November 6. We will work with the Budget Officers on transfer packages. Agencies should have received their restricted revenue carry forwards. The encumbrance

review for AY 02 and prior is 100% and we continue to look at AY 03 – AY 06 to be sure they are proper. The multiple EFT project is moving forward and we will allow an EFT account for every mail code. The pilot agencies for this project are DLEG, DMB, and MDOT. AFR is working with the House Fiscal Agency on the Fund Balance Reconciliation Project. OFM liaisons are working with the Chief Accountants on getting the D23 reports back in balance.

OFM Payroll and Tax Reporting Division Update

Ruth Mealy, PTR Director, stated that Pre-Split Pay and Split Pay are near completion. Longevity and retroactive payments for State Police will be processed next week. Calendar year-end activities have begun. We received the 1099 B-Notice file from the IRS and we will send the information to your agency 1099 contact. The concept document for Time and Expense and DCDS travel enhancements was approved by the HRMN Coordination Committee. The charter document will be submitted to the Committee within a few weeks. Upon approval of the charter, we will move forward with the design and implementation process and will be looking for participation from all agencies. When employee expense reimbursement processing is added to DCDS, employee information (including social security numbers) will no longer need to be maintained in MAIN FACS and the reimbursements will be included in employee payroll payments. There will be accelerated payroll cycles due to the holidays. Pay periods ending November 18 and December 16 will be accelerated by one day. Pay period ending December 30 will be delayed by one day to Wednesday, January 3, 2007.

OFM Support Services Division Update

Doug Ringler, SSD Director, reported that a series of memos regarding the internal control evaluation process are forthcoming. There will be a kick-off letter to Department Directors; a letter from Mike to the Chief Financial Officers, Internal Auditors, and Internal Control Officers (formerly Designated Senior Officials); and letter from Mike and Ken Theis to the CFOs, IAs, and ICOs. The GASB 44 list of indicators has been finalized. We estimate mid-November as the cut-off date to receive this information. The third party service organization responses are due. The quarterly update regarding Public Act 533 EFTs will be coming.

CFO Member Roundtable Discussion

Ruth mentioned the NuUnion calendar for 2007 is wrong. They are supposed to issue a new calendar and post it to their web site.

Dave Quigley mentioned the email that should have been received from Mike Gilliland on the Administrative Guide changes.

The meeting adjourned at 10:25 a.m.

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Next meeting: Thursday, January 18, 2007 – 10:00 a.m.
The Michigan Room, 1st Floor, Romney Building

Summary prepared by:

Adel Beachnau, Council Secretary